### 1 STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS 2 SECURITIES DIVISION 3 IN THE MATTER OF DETERMINING Order Number S-08-007-08-SC01 4 Whether there has been a violation of the Securities Act of Washington by: ) STATEMENT OF CHARGES AND NOTICE 5 OF INTENT TO ENTER ORDER TO CEASE AND DESIST AND TO CHARGE COSTS Roanan Corporation and Walter Alexander Moa, Jr., 7 Respondents 8 THE STATE OF WASHINGTON TO: Roanan Corporation Walter Alexander Moa, Jr. 9 10 STATEMENT OF CHARGES 11 Please take notice that the Securities Administrator of the State of Washington has reason 12 13 to believe that Respondents, Roanan Corporation and Walter Alexander Moa, Jr., have each 14 violated the Securities Act of Washington and that their violations justify the entry of an order of 15 the Securities Administrator under RCW 21.20.390 against each to cease and desist from such 16 violations and to charge investigative costs. The Securities Administrator finds as follows: 17 TENTATIVE FINDINGS OF FACT 18 19 Respondents 20 1. Roanan Corporation ("Roanan") is a Washington corporation that was incorporated on 21 September 25, 1956 and was originally named Mineral Basin Corporation. The corporation has 22 approximately 5.6 million shares of common stock outstanding. The corporation has 23 approximately 350 shareholders, many of whom are Washington residents. Roanan 24 25 Corporation's primary assets are townsite lots, a waterfront lease, and patented and unpatented 26 mining claims in or near Hyder, Alaska.

STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST 1 AND TO CHARGE COSTS

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DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

2. Walter Alexander Moa, Jr. ("Moa") is the president of Roanan Corporation. Moa resides in Vancouver, British Columbia. Moa maintains an office at 850 West Hastings Street in Vancouver, British Columbia, which is used for Roanan Corporation business. The office is also used for Moa's own business ventures, including a secretarial support business called Tuak Resource Services and a business consulting company called Moa International Management, which is billing Roanan Corporation \$10,000 per month for management services.

## Offering of Notes and Stock

3. From January 2006 through February 2008, Roanan and Moa have offered and sold approximately \$600,000 worth of promissory notes from Roanan Corporation to approximately 28 investors, including at least 14 Washington investors. The promissory notes had a one-year term with 12% annual interest. Roanan issued "bonus" shares of stock with the notes, so that investors received one share of Roanan common stock for every \$1 of principal invested in the notes. The investors also had the option to convert their notes into shares of Roanan common stock at a ratio of 5 shares of stock for every \$1 of principal invested in the notes.

## Failure to Disclose Information

4. From January 2006 through February 2008, when offering and selling notes and stock to investors, Roanan and Moa each failed to provide investors with current financial statements for Roanan Corporation. Roanan and Moa each failed to identify the specific use of proceeds for particular investments. It appears that investor funds were used to repay approximately \$70,000 of investor notes, to pay legal fees of approximately \$170,000, and to pay management fees of approximately \$300,000 to Moa International Management.

5. From January 2006 through February 2008, when offering and selling notes and stock to investors, Roanan and Moa each failed to identify the business objectives of Roanan, the minimum amount of proceeds required to achieve the objectives, the time required to achieve the objectives, and the history of Roanan's attempts to develop the company's assets. Roanan and Moa each failed to disclose the risks of the investment, including inadequate capitalization, competition from more established companies, environmental risks, market risks, geological risks, regulatory risks and operations risks.

Registration Status

- 6. Roanan Corporation is not currently registered to sell its securities in the state of Washington and has not previously been so registered, nor has it filed a claim of exemption from registration.
- 7. Walter Alexander Moa, Jr. is not currently registered as a securities salesperson or securities broker-dealer in the state of Washington and has not previously been so registered.

Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

#### CONCLUSIONS OF LAW

I.

The offer or sale of stock and/or promissory notes described above constitutes the offer or sale of a security, as defined in RCW 21.20.005(10) and (12), to wit: stock, note, evidence of indebtedness, investment contract or risk capital.

II.

The offer or sale of said securities is in violation of RCW 21.20.140 because no registration for such offer or sale is on file with the Securities Administrator.

Walter Alexander Moa, Jr. has violated RCW 21.20.040 by offering or selling said

securities while not registered as a securities salesperson or securities broker-dealer in the state

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of Washington.

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Roanan Corporation and Walter Alexander Moa, Jr. have each violated RCW 21.20.010 because, in connection with the offer or sale of said securities, they each made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

IV.

### NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST

Pursuant to RCW 21.20.390(1), and based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Roanan Corporation and Walter Alexander Moa, Jr., and their agents and employees, each cease and desist from violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140.

### NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390(5), and based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Walter Alexander Moa, Jr. shall be liable for and shall pay investigative costs of \$15,000.

# **AUTHORITY AND PROCEDURE**

This Statement of Charges is entered pursuant to the provisions of ch. 21. 20 RCW and is subject to the provisions of ch. 34.05 RCW. The respondents, Roanan Corporation and Walter Alexander Moa, Jr., may each make a written request for a hearing as set forth in the NOTICE

1	OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
2	order.
3	If Roanan Corporation fails to make a timely hearing request, the Securities
5	Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as
6	final and to enter a permanent order to cease and desist against Roanan Corporation.
7	If Walter Alexander Moa, Jr. fails to make a timely hearing request, the Securities
8	Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as
9 10	final, to enter a permanent order to cease and desist against Walter Alexander Moa, Jr. and to
11	charge costs of \$15,000 to Walter Alexander Moa, Jr.
12	Dated and Entered this 7th day of May, 2008
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14	Gridsel Z, Stevenson
15	MICHAEL E. STEVENSON Securities Administrator
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17	Approved by:  Presented by:
18	Martin Condill
19	Martin Cordell
20	Martin Cordell Janet So
21	Chief of Enforcement Financial Legal Examiner
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